LeMond Cycling, Inc. v. Trek Bicycle Corporation Doc. 139 Att. 8

ZASTROW EXHIBIT 52

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UNITED STATES DISTRICT COURT
DISTRICT OF MINNESOTA

LeMOND CYCLING, INC.,

Plaintiff,

vs. Case No. 08-1010

TREK BICYCLE CORPORATION,

Defendant/Third-Party Plaintiff,

vs.

GREG LeMOND,

Third-Party Defendant.

Video Deposition of DEAN GORE

Thursday, May 14th, 2009

12:24 p.m.

at

GASS WEBER MULLINS LLC
309 North Water Street
Milwaukee, Wisconsin

Reported by Kealoha A. Schupp, RPR

EXAMINATION

BY MR. WEBER:

Q **Counsel had shown you some pages in the PowerPoint.**

A Mm-hmm.

Q **And -- and --**

A Yes.

Q **-- let me just go back to a few of these. If you'd turn several pages from the end, there's a reference there to "Early 2006. Trek revamps the LeMond product line -- Great Product."**

A Okay.

Q **Do you see that? All right. Tell us what happened in 2006 with respect to the LeMond product line, flying dealers to Waterloo, the marketing campaign, Tour de Georgia, etc.**

A 2006 was -- I think it was a milestone year for LeMond because we -- we, saying because I was -- I was living the LeMond brand. That's -- that's what I did every day was come in and work on LeMond and Fischer.

And it was -- LeMond had -- was introducing better product than Trek had in the marketplace. It had an industry-leading carbon product that when we launched to our dealers, they were very, very excited about it. We flew in 100 appearances or whatever the contract says, but beyond that I'm not healthy. I can't do promotions for the brand. Please don't call. Don't ask."

And then also during that time frame it was in my best interest or the company's best interest to not have Greg in the public as well. The old adage that, you know, there's no such thing as bad press. In this case there were -- it was very detrimental to have -- to give any editor access to Greg because I never had -- I never knew what Greg was going to say, and the chances are that it not being positive was far too great for me to be able to use the media as an outlet that I could use as my -- in a marketing strategy.

Q **From time to time over the relationship Greg made remarks that were reported in the press that caused some controversy.**

A Mm-hmm.

Q **Did you -- as part of your job do you deal with dealers on an ongoing basis?**

A I do. They -- they know that I was the marketing manager for LeMond, and I have built relationships with a vast majority of our dealers over my 18 years at Trek.

Q **And as I understand your distribution channels,**

correct me if I'm wrong, but Trek needs to get dealers to agree to carry a certain line, right?

A Our -- our -- our strategy as a company is -- and I think it's worked -- is that our number one goal is to take care of the dealer. When somebody walks into a bike shop that -- to buy a bike, they don't know what they're going to leave with. They're relying on the expertise of the bike shop and the bike shop personnel. And the bike shop is going to sell what they have on their sales floor.

So really my fate is -- my fate or Trek's fate is 100 percent in the hands of the person who runs and buys bikes for the bike shop.

Q **Okay. As controversies would be reported involving Mr. LeMond, did it make it easier, harder, or no effect in terms of your ability to work with dealers and get them excited and enthused about the LeMond brand of road bikes?**

A Well, let me give you an example. The -- the average bike shop owner is -- has -- has mortgaged their home, their retirement, all of their savings to live this dream of owning a bike shop. And rightly so, they are nervous as they can be about what they bring into their shop and what -- what they're carrying for inventory. They want to carry whatever is the easiest story to tell and whatever they are going to be able to sell as quick as possible with the least amount of discussion or overcoming objections. Actually, in our -- in our training materials we list them, here's how to overcome objections to common misperceptions about our bikes.

And when the press and, I mean, the -- the comments or the dispute between Lance Armstrong and Greg LeMond became public, the conversation turned at the dealer level from, let's talk about the designs or the technology of the bike, it turned into, why is Greg saying that? Or what about this relationship between these two? And just put more and more doubt into the minds of our retailers.

And think about the sales call. If -- if the dealer has any doubt, it's easy for him to say, you know what, I'm going to hold on buying more LeMonds this time around when the sales rep comes in. Tomorrow or the next day the Orbea rep comes in. And the guy's going, you know what? I just passed on LeMonds, I should probably bring in a couple more Orbeas to fill in that hole. And all of a sudden my -- a month later when my rep goes back in there, he's going to have the conversation again about kicking Orbea back out instead of filling in with more LeMonds.

It's just wasting the time and making us tread water and go back over and over and losing -- you know, it's all about gaining ground. And we would lose ground every time bad press would come out about the dispute between the two personalities. It left doubt in our dealers' minds, and that's the worst thing that could happen.

MR. WEBER: That's all I have. Thank you.

MS. RAHNE: Thank you for coming in.

VIDEOGRAPHER: No further questions?

MS. RAHNE: No further questions.

VIDEOGRAPHER: There being no further questions, that concludes the video deposition of Dean Gore. We're off the record at end of Videotape No. 2 at 2:12 p.m.

* * * *

(Deposition concluded at 2:12 p.m.)

(Original exhibits retained by court reporter and attached to original transcript. Copies provided with additional transcripts.)